

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7085

BILL NUMBER: HB 1197

NOTE PREPARED: Feb 18, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Regional sewer districts.

FIRST AUTHOR: Rep. Lehe

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Septic Systems*. This bill provides that certain property owners who install new septic tank soil absorption systems are exempt from connecting to a regional sewage district's sewer system for 10 years beginning on the date the septic tank system was installed. The bill specifies the connection fee a property owner who received an exemption must pay when the property owner connects to the district's sewer system. If a regional sewage district uses eminent domain to acquire an easement or right-of-way that easement or right-of-way may not exceed 50 feet in width.

Adding Territory to a Water, Sewage, or Solid Waste District. This bill allows territory to be added to a regional water, sewage, or solid waste district if the district's board files (1) a motion adopted by the board requesting the addition; and (2) a petition signed by a majority of freeholders within the area proposed to be added requesting the addition; with the Department of Environmental Management (IDEM). The bill specifies the procedure that must be used to add territory to a district.

Changing Rates. If a district changes or readjusts the district's rates and charges, the board of trustees of the district must mail a notice of the new rates and charges to each user affected by the change or readjustment. If a sewage district adopts an ordinance increasing the rates and charges by more than 5% per year, the required notice must (1) be mailed to each affected user not later than seven days after the ordinance is adopted; and (2) include a statement of a freeholder's right to file a petition objecting to the rates and charges.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) *Adding Territory to a Water, Sewage, or Solid Waste District*. This bill will have no significant impact on IDEM.

Explanation of State Revenues:

Explanation of Local Expenditures: *Changing Rates.* Under certain circumstances, districts must send notices of new rates and charges to each user affected. In some cases, districts must mail a notice to each affected user not later than seven days after the ordinance is adopted. The notice must include a statement of a freeholder's right to file a petition objecting to the rates and charges. These provision will increase administrative expenses for the districts. However, these increased expenses could be paid for by the adjustment in the rate. The specific impact will vary from district to district and will depend on local action.

Explanation of Local Revenues: (Revised) *Septic Systems.* This provision will reduce revenue collected by water, sewage, or solid waste districts by an indeterminable amount.

State Agencies Affected: IDEM.

Local Agencies Affected: Regional water, sewage, or solid waste districts.

Information Sources:

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